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The Unification of Terminals at New York

By CALVIN TOMKINS

Formerly Dock Commissioner of New York City

NEW YORK is not an organized port in the technical sense of that term, but rather a congeries of many unrelated private sub-ports which do not function together. Much of the waterfront of New York has been acquired by the public authorities, especially at Manhattan and South Brooklyn and this has been improved by the construction of docks which have been leased for long terms to private steamship and railroad interests. As a consequence of this practice there is no adequate public control exercised over the port as a whole. The separate leases are in effect monopoly franchises which are operated without relation to each other or to any general port policy.

The basic principle of port organization is that a port should be developed as a unit, under public dictation of the terms on which private carriers, shippers and consignees shall be served. The port being once conceived as an organic whole, administered by the city for the benefit of all, there can be no thought of remaining in, or returning to, the chaos of jarring private rivalry and mutual obstruction from which we suffer; or of final dependence on the makeshift policy of separate sub-ports constructed by great private corporations—no matter how perfect each may be in itself or how welcome they may be as coöperators in a city system.

The fundamental basis for port organization at New York is provision for railroad tunnel connections between New Jersey and Long Island under the Hudson and East Rivers and Manhattan Island. Such a railroad tunnel system will bring together into one general organization the New York Central Lines, terminating in Manhattan; the New England systems with their Canadian connections, terminating on Long Island; and the transcontinental systems of New Jersey.

We are accustomed to consider this break in continuous railroad transportation and the immense and costly lighterage transfer which it entails as a local defect of the port, and until recently

I held this view. Wider experience, however, incidental to the consolidation of the country's railways by federal authority discloses the fact that this problem is essentially a matter of national concern and that the dislocation of the railway communications of the country between Albany and New York, due to the Hudson River barrier, may perhaps be considered to be the major physical defect of the transportation system of the country.

With the exception of one insufficient bridge at Poughkeepsie, there are no all-rail river crossings south of Albany and as a consequence there is added to the immense local floating movement between the east and west sides of the harbor, a large and constantly increasing lighterage transfer of through freight between New Jersey and New England transportation lines, which tends still further to congest our intensively used waterfront and necessitates the diversion of docks from normal marine uses to terminal railroad requirements. If New York can ever put its railroad terminals in their proper places inshore, the city will not immediately be obliged to go to the expense of building new docks for ships, since it can then utilize the relinquished railroad docks for this urgent need.

This Port defect can only be cured by the Railroad Administration, or by the city and state of New York coöperating with the federal government to substitute an all-rail movement by tunnels for the present intermittent lighterage movement of freight. Whenever this shall be done the railroads will find it more economical and far more convenient to remove their terminals from expensive waterfront locations to inshore sites cheaper and more available for use; and the change will automatically be made. There will then be no inducement to hold on to expensive waterfront property, ill adapted for railroad uses, and the expense incident to the water transfer will be largely eliminated. Of course, lighterage is flexible, and undoubtedly will continue to be utilized at many places around the port, but the city will not be obliged to rely so exclusively upon it.

The interference with harbor transportation by ice in the winter of 1917-18 and by the strike in 1919 shows how vulnerable is the terminal situation at this port. The nicely adjusted and complex transfer of freight by lighterage includes an equipment and organization which can easily be thrown out of gear at any time at

the instigation of labor leaders. The city and the general government cannot afford to stand out against a quick settlement of such strikes however unjust they may be in view of the immense loss and inconvenience which would otherwise result. There is no more reason why railroad terminals should be located at the waterfront in New York than in any other city. Tunnels are cheap to build and their practicability has been demonstrated by the Pennsylvania and McAdoo passenger tunnels. The saving which would be effected in handling freight by an all-rail movement as contrasted with the present intermittent lighterage movement, if capitalized, would be far more than sufficient to construct such tunnels and their necessary inshore terminals.

A new and most serious danger threatens the port in the possible withdrawal of the free lighterage transfer, which has heretofore been accorded the city of New York by the federal government. It is by no means certain that the government will hereafter permit the railroads to absorb the cost of lighterage. The Railroad Administration is looking about in all directions to increase the revenue of the roads, and the imposition of additional terminal charges and their separation from haulage charges affords one of the most promising opportunities for accomplishing this end.

In this connection the recent statements by Interstate Commerce Commissioner Robert W. Wooley, are pertinent and interesting. I quote as follows:

There is only one solution of the rate problem and that is through a per mile charge for the line haul plus a terminal charge. The charge for transportation of a consignment over the railroad between the point of origin and the point of destination should be kept distinct from the charge for handling this consignment at the two terminals, because experience, investigation and long observation have proven that there is approximate uniformity of cost in most parts of the country so far as one is concerned, but that costs of the other differ widely and are not the same at practically any two points. In an investigation incident to the 5 per cent case a few years ago, the Interstate Commerce Commission, through one of its ablest examiners, went into this subject of terminal costs at four cities. At New York it was found that the expense of handling a car from the time it landed within the terminal limits of Jersey City until it was delivered to destination in Brooklyn or Manhattan, including lighterage, was approximately \$35. At Chicago, where there is no lighterage, it was found that the cost of handling the same car within the terminal limits was \$10.35. At Binghamton, N. Y., a city of between fifty and sixty thousand population, the cost

was \$1.80, and at Salamanca, N. Y., which has a population of between five and eight thousand and is a railroad division point, the terminal cost was \$3.80.

There is no difficulty about ascertaining and segregating these line-haul and terminal costs. According to the reports of the carriers themselves, made to the Interstate Commerce Commission, approximately 75 per cent of the gross receipts annually are from freight traffic and 25 per cent from passenger traffic. These reports also show, that of the total cost of operation one-third is terminal and two-thirds line haul.

From what I have just said the thought might suggest itself that New York in particular and other great cities in a lesser degree would never be able to compete with small cities and towns where only the actual terminal costs are charged. I am not so sure of that. San Francisco has municipally controlled terminals, and a flat charge of \$2.50 per car for handling all cars within the terminal limits is made. New Orleans has a publicly owned belt and makes a low uniform charge. At New York—the terminal sore spot of the nation—the utter injustice of taking care of \$35 per car in the line-haul rate—in other words, of making the innocent consumer over much of our land stand a tax that New York may continue to grow and monopolize the export and import business of the country—is impressing many of the big-minded citizens of our metropolis.

If the absorption of port lighterage by the railroads shall be permanently prohibited by the government, in what an unsatisfactory position will it leave the New York side of the port. This contingency should now be anticipated by promptly appealing to the Director General of Railroads to construct harbor tunnels as a necessary part of the country's railroad system, in order to correct a radical defect of the system itself. If this request shall be refused, as is probable, the city and the state of New York will then be in a better position to resist the possible action of the government in eliminating free lighterage, on the ground that the government itself is responsible for the defect in the railroad system which makes lighterage necessary. A demand can then be made with greater insistence for federal coöperation with the two states and the several cities to promote this enterprise which is so vital to the prosperity of the port.

Expensive and unnecessary lighterage is not the only danger in sight. The port is already handicapped by the following impositions or physical disabilities placed upon it by unsympathetic super-authorities:

1. The freight differential in favor of southern ports.
2. The unwillingness of the Railroad Administration to prorate freely with private canal service.

3. The apparent purposes of federal authorities to deflect freight from the port of New York to other ports, in order to avoid local congestion.

4. The deflection of traffic by the New Jersey roads to the New Jersey side of the port, in order to avoid the cost of lighterage, while at the same time collecting the fee for the service which they do not render.

5. Lack of sufficient marine facilities at the port for the pressing needs of commerce and the provision of such facilities by the federal government as a war time measure at other ports.

6. Entirely inadequate and disproportionate government appropriations for channel improvements to accommodate deep draft vessels.

New York should not passively await the breaking of the impending storm, but following the recent example of Chicago, should without delay submit its difficulties to the Director General of Railroads and demand relief. Three-quarters of the port problem everywhere is involved in reorganization and modernization of railroad terminals, which are now under federal control.

When railroad tunnel connections shall have been established between the opposite sides of the port, the separation of the port into two parts will be ended. The expensive, complicated and congested floating movement of freight between the two sides of the harbor will stop. There will be no more ice blockades or strike blockades. Freight will move directly across the Hudson as passengers now do in the Pennsylvania tubes, and the prosperity of the New York side of the port will no longer be threatened by an additional charge due to the probable action of the Railroad Administration in separating terminal charges from railroad haulage charges. Commerce and industry can then anticipate the essential factor of what should be the port's plan and policy, and the way will be opened up for private initiative to coöperate with public authorities in developing terminal facilities for the nation's commerce and the industrial needs of the communities surrounding the harbor waters, all the way from Sandy Hook to Jamaica Bay. In short the physical connection between New Jersey and New York is not a detail of the comprehensive plan, but is nine-tenths of the whole thing; and a clear statement of this simple fact should no longer be delayed.

The details of port planning and policy are complicated and when stated will necessarily arouse differences of local opinion, which it may be well to avoid at this time. But who will have the temerity to dispute the main fact, that the Hudson River separates the port into two unrelated parts and that as a consequence of this separation New York has acquired the unenviable distinction of fundamentally differing from every other great port in the world; and is in truth the most expensive great port through which to pass commodities?

One great railroad company has heretofore enjoyed a monopoly of the best opportunities on Manhattan, another on Long Island, another in the Bronx, and another on Staten Island, but the war has brought them all together into one general terminal system, the several parts of which, however, are still physically separated. Why not perfect this system while the opportunity offers by making it correspond to the essential feature of terminal unity elsewhere?

The construction of a vehicular tunnel between New Jersey and Manhattan will still leave the principal railroad terminals in New Jersey unconnected with the Long Island and Manhattan systems. Motor truck haulage will then be only less expensive than lighterage. Why not grasp the opportunity which is now presented by the liberal mindedness of the New Jersey authorities and embody in the proposed interstate treaty itself, or in a concurrent stipulation, provisions for physically connecting the railway systems of New Jersey, Manhattan and Long Island by tunnels, and by so doing end once and for all the insular disabilities of New York City by making it an integral part of the port of New York? The problem is essentially interstate in character, and the coöperation of the federal government, which is in control of the railroads, must be secured. This coöperation should be sought without delay by joint application on the part of both states to the Railroad Administration at Washington.

The good will and financial backing of New Jersey are necessary to the enterprise, and for obvious reasons can more readily be obtained now than after the vehicular tunnel shall have been constructed. The most effective way to incite New Jersey to retain exclusive terminal control of the Port by declining to coöperate to extend the rail heads to New York will be to build

vehicular tunnels before jointly agreeing to build the railroad tunnels.

The Society of Terminal Engineers on January 22, 1919, adopted the following resolution in favor of the construction of railroad freight terminals:

WHEREAS, The port of New York is the only great port in the world the two sides of which are separated by so wide a body of water as to make lighterage necessary for all freight passing from one side to the other, and

WHEREAS, The expense and inconvenience due to this separation is daily becoming more onerous and apparent, as instanced by the present harbor strike and coal famine, therefore be it

Resolved, That the cities and states of New York and New Jersey co-operate without delay to overcome the bad effects of this separation by the construction of tunnels or a bridge, or both.

The New York Board of Trade at its meeting on June 11, 1919, adopted a similar resolution as follows:

Resolved, That the Federal Railroad Administration be requested promptly to connect the New York and New England Railroad systems by all-rail tunnel service under the Hudson River, Manhattan Island and the East River, with the Railroad systems terminating in New Jersey and Staten Island, since by so doing the route will be shortened, the cost of transportation between New England and Canadian points and points to the South and West will be cheapened, and the facilities of the Port of New York will be made to better serve the national commerce passing through the Port.

The report goes on to say:

The Hudson River is a barrier between the Western and Southern Railway systems and their New England and Canadian connections. The waterfront on the New York and New Jersey sides of the Harbor, because of the floating transfer of freight, is intensively used for railroad purposes to the partial exclusion of marine commerce, and dock improvements have not been and cannot be made with sufficient celerity to keep up with the continually expanding national and local demands for both rail and water requirements.

Whatever may be the future railway policy of the United States, it is generally conceded that terminal integration will go forward and not backward; and that the railroad terminals at each city will more and more come to be administered jointly. As a consequence of this change terminal rivalries will be eliminated, and it will be much easier than heretofore and especially at New York to adopt modern methods. Railroad rivalries have till now been the principal obstructing influences to port improvement.

Under what kind of authority and form of organization the port of New York shall ultimately be organized and administered is not yet clear. The Dock Commissioner's authority under the Mayor failed. The Board of Estimate authority is too cumbersome and irresponsible. It also will break down. Both fail to provide initiative and continuity of plan and policy, which in view of the great and rapidly developing economic and international responsibilities of New York, as the world's principal port of exchange, can no longer be neglected. State control at Boston, New Orleans and San Francisco has worked well, as is evidenced by the superior organization of these ports, but I question its applicability at New York. National control at Montreal has been highly successful and the federal government here, through the Department of Commerce, can at least advantageously examine into, and give publicity to, the greatest port organization problem of the world, and so direct public attention towards a better understanding of it.

At New York and at other ports, the federal government, through its control of railroad terminals will hereafter exercise a great, if not a dominating, influence over future development. By adopting the principle in vogue at South African ports, of administering the docks, railway terminals and trans-shipment sheds at each port as an integral part of the unified railway, highway, and water system of the country, I believe that we shall obtain the best results.

The query naturally arises, since port organization has made such progress elsewhere than at New York, why has it been delayed so long here? The answer is that from the beginning of railroading, the port has been regarded as if it were to be permanently separated into two parts by the Hudson River, and on this supposition immense vested interests in terminal properties and in floating equipment have been predicated. This enormous investment will in part be prejudiced by any comprehensive organization of the port on modern lines, which will coördinate the several factors involved. For instance, a large part of the floating equipment will be unnecessary—expensive railroad location at waterfront terminals will be in large part needless since the railroads can transfer their terminals to cheaper back lands—substitution of inshore railroad terminals for railroad waterfront

terminals will result in the establishment of public terminal markets and will tend to destroy the present inefficient, wasteful, monopoly distribution of food—real estate speculations and private terminal developments about the harbor will, in some cases, be prejudiced since a connected system of railway terminals will tend to make one part of the harbor as good as another for the general purposes of commerce and manufacture. In other words and as a consequence of terminal integration, an unprecedented opportunity for port development will be opened up to private enterprise all the way from Sandy Hook, through the Hudson Valley, up and down the East River and along Long Island Sound to Jamaica Bay. In short, the effect of modernizing the port will have a far-reaching influence on waterfront values comparable to that of the new subways upon real estate values in the interior of the city. It is this prospective dislocation of values and the consequent temporary disarrangement of business which has for years retarded port development in the public interest at New York. It is necessary to overcome these natural but reactionary influences, and in no other way can the much needed change be accomplished. The recent consolidation of the railroad systems makes this revolutionary process possible. In fact, it will compel the change to be made in spite of all local restraining influences—the most obstructive of which has been the smothering of popular discussion.

The pressure for additional docks for steamships has already resulted in the presentation of plans for new docks and the actual construction of some of those planned. In too many instances, however, the proposed docks are of the narrow, one story type, entirely unsuited for modern requirements which demand wide docks, with sheds two stories in height, adequate rail approach, mechanical equipment for loading and unloading, and adjacent facilities for temporary and permanent storage. It will not be easy to construct such docks at the congested center of the port, but if the railway terminal system of the port shall be coördinated with the docks, they can with equal advantage be located almost anywhere about the harbor waters.

It is so manifest that all parts of the port will be advantaged by connection with each other and with all land and water carriers, that if the New York and New Jersey Harbor Improvement Com-

mission shall make this issue the essential part of their program, they will speedily attract public support and overcome interested private opposition to port development at New York. Physical unification of the terminal railway system of this port is the only programme for which general assent can be obtained and all other policies and proposed treaties urged in advance of this will stimulate discord and delay port improvement.